## REMARKS/ARGUMENTS

Favorable reconsideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

Claims 1-2, 4-7, 9-12, 14-17 and 19-20 are pending in the application. Claims 1, 6, 11, and 16 are amended by the present amendment. Support for amended independent Claims 1, 6, 11 and 16 can be found in the original specification, claims and drawings. No new matter is presented.

In the outstanding Official Action, Claims 1-2, 4-7, 9-12, 14-17 and 19-20 were rejected under 35 U.S.C. § 103(a) as unpatentable over <u>Sharp et al.</u> (U.S. Patent No. 6,263,317, hereinafter "<u>Sharp</u>") in view of <u>Salvo et al.</u> (U.S. Patent No. 6,341,271, hereinafter "<u>Salvo</u>") and Official Notice.

The undersigned appreciatively acknowledges the courtesy extended by Primary Examiner Zeender by holding a personal interview with the undersigned on June 13, 2006. During the interview, an overview of the present invention was provided and the pending claims were discussed in light of the applied references. Proposed amendments were also discussed during the interview, which are reflected in amended independent Claims 1, 6, 11 and 16, as discussed below. No agreement was reached during the interview pending a formal response to the outstanding Official Action.

Applicants respectfully submit that amended independent Claims 1, 6, 11 and 16 state novel features clearly not taught or rendered obvious by the applied references.

Briefly summarizing, amended independent Claim 1 relates to a distribution management device which receives first order information formed based on a purchase request received over a first sales channel using a network, and second order information formed on the basis of a second purchase request received over a sales channel which does

<sup>&</sup>lt;sup>1</sup> e.g., specification, pp. 47-49 and Fig. 12.

not use a network. The distribution management device controls a stock of merchandise to be distributed to the first and second sales channels based on the received first and second order information, and an actual sales condition of the merchandise is retrieved in the first and second sales channels based on the received order information.

Independent Claim 1 is amended to further recite that the distribution management device also includes

means for instructing a supplier of said merchandise to supply the merchandise based on the actual sales condition by generating and transmitting stock order condition data to the supplier, said order condition data including sales method, client's name, and total amount of merchandise sold.

Independent Claims 6, 11 and 16 are similarly amended, therefore, the remarks presented below are also applicable to these claims.

As described, for example, at Fig. 3 and pp. 47-49 of the specification, the distribution management center (2) includes a shipment control server (55), which transmits order condition data to the manufacturer control center (12) via a network. This order condition data includes various parameters, some of which are recited in amended independent Claim 1, that are displayed at an order condition screen (65) on a computer at the manufacturer control center (12). Thus, the distribution management server is responsible for assembling and transmitting this data to the manufacturer.

Turning to the applied references, <u>Sharp</u> describes a web-based system in which customers can place orders for brand name products and these orders are allocated to manufacturers, distributors and retailers according to distribution channel protocols defined by the manufacturers.

As admitted in the outstanding Official Action, however, <u>Sharp</u> fails to teach or suggest "the supplier supplying the merchandise based on an actual sales condition." Thus,

<sup>&</sup>lt;sup>2</sup> Outstanding Official Action, p. 2.

Sharp also fails to teach or suggest, *inter alia*, instructing a supplier of said merchandise to supply the merchandise *based on the actual sales condition*, as recited in amended independent Claim 1.

Salvo, the secondary reference, describes an inventory management system and a method which automatically monitors inventory amounts, provides information concerning inventory, and decides if an order for additional/replacement inventory should be placed. An indicator monitors and reports the level of current inventory (e.g., in a silo, for example), and a controller receives information from different inventory suppliers and integrates such information with information on current inventory to estimate future use. Salvo's system is specifically directed to detecting the amount of inventory remaining in receptacles at a manufacturing site using a variety of sensors.

As discussed above, <u>Salvo</u> describes that a current level of inventory is monitored constantly so that the manufacturer can predict future orders and determine, based on a detected low inventory level, that material should be sent to a monitored receptacle. Thus, no component in <u>Salvo</u> instructs the supplier to supply material based on a variety of factors related to sales at a plurality of sales channels, since the link between the sensors and the manufacturer in this case *is* the sales channel.

Amended independent Claim 1 recites instructing a supplier of said merchandise to supply the merchandise based on the actual sales condition by generating and transmitting stock order condition data to the supplier, said order condition data including sales method, client's name, and total amount of merchandise sold. Thus, the data sent in the claimed invention is data generated based on sales made at remotely located (e.g., internet, point-of-sale) sales channels, and the data is gathered, and specific stock order information is generated before the data is sent to the manufacturer. Salvo, on the other hand, simply monitors various consumer's receptacles and determines when they might need additional

materials based on the current status of the receptacle. Salvo, accordingly, fails to teach or suggest instructing a supplier of said merchandise to supply the merchandise based on the actual sales condition by generating and transmitting stock order condition data to the supplier, said order condition data including sales method ..., as recited in amended independent Claim 1.

Therefore, neither <u>Sharp</u> nor <u>Salvo</u>, neither alone nor in combination, teach or suggest the above differentiated features recited in amended independent Claims 1, 6, 11 and 16.

Accordingly, Applicants respectfully request the rejection of Claims 1, 6, 11 and 16 under 35 U.S.C. § 103(a) be withdrawn. As Claims 2, 4, 5, 7, 9, 10, 12, 14, 15, and 17, 19 and 20 depend, respectively, from the above-noted independent claims. Applicants respectfully submit that these claims also patentably define over Salvo and Sharp.

Consequently, in view of the present amendment and in light of the foregoing comments, it is respectfully submitted that the invention defined by Claims 1-2, 4-7, 9-12, 14-17 and 19-20 is patentably distinguishing over the applied references. The present application is therefore believed to be in condition for formal allowance and an early and favorable action is therefore respectfully requested.

Respectfully submitted,

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